

Message Text

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73

ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 TRSE-00 EUR-12

ERDA-05 ISO-00 MC-02 /027 W
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R 011932Z JUL 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1139

INFO AMEMBASSY BERN

AMCONSUL FRANKFURT

AMCONSUL MUNICH

AMCONSUL HAMBURG

C O N F I D E N T I A L BONN 10710

EXCON FOR COMMERCE

E.O. 11652: GDS

TAGS: ESTC, GW, SZ

SUBJECT: HONEYWELL FRG INVOLVEMENT IN EMBARGOED
EQUIPMENT SHIPMENT TO SOVIET UNION; OEA/CD INVESTI-
GATIVE CASE 9 (75) - 1

REF: STATE 144650

1. OFFICIALS OF HONEYWELL OFFENBACH, INCLUDING CHAIR-
MAN OF THE SUPERVISORY BOARD, LUDGER WESTRICK, FORMER
ECON MIN STATE SECRETARY, ACCOMPANIED BY LAWYER FROM
HONEYWELL MINNEAPOLIS, VISITED EMBASSY JUNE 25 TO
APPRISE AMBASSADOR OF DETAILS OF THE CURRENT STATE OF
THEIR INVESTIGATIONS INTO THE APPARENT ILLEGAL SHIPMENT
OF EMBARGOED EQUIPMENT TO THE SOVIET UNION, AND TO
PRESENT THEIR SIDE OF THE CASE. THE VISITORS EMPHASIZED
THAT THE PURPOSE OF THEIR CALLING WAS STRICTLY INFOR-
MATIVE AND THAT NO ACTION WAS BEING REQUESTED OF THE
EMBASSY. THEY EXPLAINED THAT SINCE THE COMPANY IM-
MEDIATELY INVOLVED IN THE PROBLEM WAS A GERMAN ONE,
HONEYWELL OFFENBACH, THEY WERE IN TOUCH WITH APPROPRI-
ATE FRG OFFICIALS IN THE ECONMIN AND IN THE BUNDESAMT
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FUER GEWERBLICHE WIRTSCHAFT IN FRANKFURT; AND THAT THEY
SAW NO NEED FOR EMBASSY INVOLVEMENT. DESPITE THIS DIS-

CLAIMER, THE POINT WAS CLEARLY MADE DURING THE MEETING THAT SHOULD THIS CASE LEAD TO THE PLACEMENT BY THE DOC OF HONEYWELL OFFENBACH ON THE DENIAL LIST IT WOULD MEAN THE END OF THE SUBSIDIARY AND JOBS OF ITS APPROXIMATELY 2500 EMPLOYEES, AND THAT THIS WOULD HAVE SERIOUS IMPLICATIONS FOR THE PARENT COMPANY.

2. DURING THE MEETING IT EMERGED THAT HONEYWELL OFFENBACH OFFICIALS CONCEDED THAT CERTAIN IMPROPER ACTIVITIES HAD TAKEN PLACE; HOWEVER, THEY ATTEMPTED TO PLACE THE BULK OF THE RESPONSIBILITY ON ONE SALESMAN, LOTHAR HAEDICKE, WHO HAD "HOODWINKED" THEM. THE OFFICIALS FURTHER SOUGHT TO MINIMIZE THE SIGNIFICANCE OF THE TRANSACTION, EMPHASIZING THAT THE PORTION WITH THE HIGHEST FINANCIAL VALUE HAD NOT BEEN DELIVERED, AND THAT THE PORTION WHICH HAD GONE ON TO THE SOVIET UNION WOULD NOT IN ITSELF CONSTITUTE A MAJOR TECHNOLOGICAL ADVANTAGE FOR THE SOVIETS. IT WAS CONCEDED, HOWEVER, THAT THE SOVIET UNION WOULD PROBABLY BE ABLE TO FIND OTHER SUPPLIERS IN THE WEST (INCLUDING OTHER EUROPEAN HONEYWELL SUBSIDIARIES) WHO COULD POSSIBLY COMPLETE THE SOUGHT-AFTER PRODUCTION FACILITY.

3. A DETAILED MEMORANDUM OF CONVERSATION FOLLOWS BY AIRGRAM.

HILLENBRAND

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